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TAGS: <u>SENV EAID KWBG IS JO</u>
SUBJECT: Red-Dead Project Feasibility Study Slowly
Attracting Funds

11. (U) Summary: Representatives from Jordan, Israel, the Palestinian Authority and the World Bank presented an overview and prospectus on the "Red-Dead" project to Ammanbased ambassadors of key potential donor countries on December 15. The World Bank said the Netherlands is now a confirmed donor to the \$15.5 million feasibility study, joining the US and France, and that Japan, Spain and Finland are likely to sign on. End summary.

Parties Stress Water Shortage, Cultural Heritage, Politics

- 12. (U) Jordanian Minister of Water and Irrigation Zafer Alem hosted the meeting. MFA Deputy Director General for Middle Eastern Affairs Jacob Keidar represented Israel, Deputy Minister for Energy and Natural Resources Omar Kitarneh represented the Palestinian Authority, and Lead Water Specialist Vahid Alavian represented the World Bank.
- 13. (U) Alem, new to the Minister's office but an old hand at regional water issues, led the briefing. He described the plight of the fast-shrinking Dead Sea, its economic and cultural value, and gave a technical overview of the "Red-Dead" water conveyance project. The project is intended to take seawater from the Red Sea at Aqaba to replenish the Dead Sea and provide desalinated water to Jordan. Alem said that the project will cost billions of dollars but provided no specifics.
- 14. (U) Alem, Keidar and Kitarneh made similar points in their presentations, specifically that fresh water is critically scarce in the Middle East, that the Dead Sea has been dropping rapidly over the past forty years, that the Dead Sea and the Jordan Valley are unique cultural treasures, and that this project is an opportunity for close cooperation between Jordan, Israel and the Palestinian Authority. Alem also highlighted the economic benefits of the Dead Sea as a locus for tourism, as the center of a beautiful natural landscape, and as a source for minerals and mineral-based beauty products. Note: The Dead Sea-based minerals industry is a major cause of the dropping water level according to Alem, since they pump Dead Sea water into evaporation ponds to extract the minerals. End note.

Two-Year Negotiation Over Feasibility Study TOR

- 15. (U) BACKGROUND: The concept of moving Red Sea water to the Dead Sea has been around for years. The core parties negotiated for two years to establish terms of references for a feasibility study for Red-Dead. They initialed an agreement on April 19 of this year, and submitted a letter signed by all three parties to the World Bank on May 5. The letter noted their agreement on the terms of reference, and asked the World Bank to coordinate financing for the study. The core parties made a presentation about Red-Dead at the World Economic Forum/Dead Sea on May 22.
- 16. (U) There is a twelve-member (four per party) steering committee for the project, and the participants are working out terms of reference for a Study Management Unit to handle day-to-day issues in the feasibility study. A panel of 4-5 experts will provide guidance to the steering committee.

World Bank Coordinating Donations

17. (SBU) The World Bank organized a donors meeting on July 4-5 in Paris to solicit funds for the two-year, \$15.5 million feasibility study. France announced at that meeting that it will contribute 3 million euros. The USG announced shortly afterwards that it will contribute \$1.5 million. Alavian said at the Amman meeting that the Netherlands will contribute to the feasibility study, that end-stage negotiations are underway with Japan, Spain and Finland, and that other donors are actively considering support for the

project. Note: A contact at the Netherlands Ministry of Foreign Affairs said later that, in fact, final approval of the Dutch contribution is imminent but still pending. End note.

Feasibility Study Promoted as Comprehensive, Independent

- 18. (U) At the Amman meeting, Minister Alem and the World Bank's Vahid Alavian took pains to describe the feasibility study as comprehensive and participatory. Alavian noted that the technical analysis and the environment analysis are done under separate consultancies to promote accurate, unbiased reporting.
- 19. (U) Alavian noted that the terms of reference (TOR) for the feasibility study have still not been made public in their entirety. He said that the Bank released a summary version of the TOR at the Paris donors meeting. He explained that the TOR are highly specific and represent a tender document. Under World Bank rules, he said, a tender document cannot be made public until a short list of potential bidders is created. He said that he expects this to be done in 2006.

The Problem: Drinking Water, Irrigation Cut Inflow

- ¶10. (U) Minister Alem said that the level of the Dead Sea is now 417 meters (1,370 feet) below sea level, and is dropping at about one meter (3 feet) per year. It is reasonable to assume that the salinity level is rising as the Dead Sea shrinks. Syria, Jordan and Israel all divert substantial amounts of water from the Jordan River and its tributaries, which feed the Dead Sea, for drinking water and irrigation.
- 111. (U) Minister Alem said the natural level of the Dead Sea is 395 meters below sea level, or about 1,300 feet. Alem showed satellite pictures from 1960 and 2005 that demonstrated the startling decrease in the surface area of the Dead Sea, which has dropped from about 950 square kilometers (366 square miles) to 630 square kilometers (243 square miles). He said that inflows to the Dead Sea prior to the 1960's were about 1,200 million cubic meters a year, but are less than 450 million cubic meters now. Note: Regional NGO Friends of the Earth Middle East puts inflows at less than 100 million cubic meters per year. End note.

The Solution. Or Is It Another Problem?

- (SBU) Jordan advocates Red-Dead as the solution to the ¶12. shrinking Dead Sea. The project, according to Alem, would draw 1.9 billion cubic meters (about 340 billion gallons) of seawater a year at Aqaba, which sits next to Eilat in Israel at the top of the Gulf of Agaba. Agaba is noted for its high quality coral reefs. The seawater would first go through a 160 foot-wide canal for 7 miles. It would then go into a pipeline and be pumped up to 400 feet above sea level, then flow downhill by gravity to the Dead Sea. Near the Dead Sea, the water would flow through turbines to generate electricity and would then go through a reverse osmosis desalination plant to produce 850 million cubic meters per year of fresh water. The briny waste product from the desalination plant would go into the Dead Sea. Some environmentalists in Jordan, Israel, the US and Europe have expressed reservations about the concept given what they consider to be unknown consequences of the massive seawater intake on the delicate coral reefs of Aqaba and the unnatural inflows into the Dead Sea.
- 113. (SBU) Comment: Jordan is unquestionably anxious to move ahead with Red-Dead. The multi-decade incubation period for the idea to get this far, the two-year negotiation over the terms of reference, and the slow assembly of donors are all signs that few other parties share Jordan's enthusiasm. Alavian stated "categorically" that no decision about the Red-Dead project itself will be made until the feasibility study is done.

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